

CENTRAL VALLEY SCHOOL DISTRICT No. 356
Spokane County, Washington
September 1, 1994 Through August 31, 1995

Schedule Of Findings

1. Coordination Of Enrollment Reporting Between The District And The Spokane Skills Center Should Be Improved

The district is a member of the Spokane Skills Center cooperative. The Spokane Skills Center is a cooperative involving eight Spokane area school districts. Spokane School District No. 81 operates the half-day programs which offer high school students a variety of occupational courses. Our comparison of the district and the Spokane Skills Center enrollment reports revealed that students were overclaimed. Students were claimed in combination by Spokane School District No. 81 and the district as 1.2 full-time equivalent on monthly enrollment reports submitted to the Superintendent of Public Instruction (SPI).

Washington Administrative Code (WAC) 392-121-136 states in part:

... no student, including a student enrolled in more than one school district, shall be counted as more than one full-time-equivalent student on any count date or more than one annual average full-time-equivalent student in any school year

WAC 392-121-122 defines full-time-equivalent, for students in grades 7 through 12, as 25 hours each week, or 5 hours (300 minutes) each scheduled school day.

Students exceeded one full-time-equivalent because enrollment reporting was not coordinated between the district and the Spokane Skills Center.

Because SPI uses the monthly enrollment reports as a basis for state funding, the district may have been overpaid. We were unable to estimate the amount due to the apportionment formulas applied by SPI.

We recommend the district, in cooperation with the Spokane Skills Center, implement written policies and procedures to ensure monthly enrollment reporting complies with statutes. We further recommend the district contact SPI to determine the amount of any repayment required.

2. The District Should Maintain Records To Support Special Education Enrollment Reporting

During our audit of special education enrollment, we found that the district's records are not sufficient to allow verification of state enrollment reports for the entire fiscal year 1994-95. Supporting records of the monthly P-233H special education enrollment reports were not retained for the months of September 1994 and May 1995. None of the supporting enrollment records are maintained for the periods prior to 1994-95.

The Superintendent of Public Instruction (SPI) Administrative and School Business Services Bulletin No. 36-94 Section V Part L, states in part:

Because enrollments reported on Forms P-223 and P-223H generate state moneys, school districts must retain supporting documentation for audit . .

. .

The bulletin then lists specific retention requirements.

Because the district did not maintain the required records, we are unable to determine if enrollment reported to SPI for the year under audit was accurate.

Established policies and procedures were not followed to ensure that a comprehensive set of records were retained.

We recommend the district follow established policies and procedures to ensure records are maintained in the manner prescribed by the Superintendent of Public Instruction.

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1. The District Should Accurately Report Special Education Enrollment To The Superintendent Of Public Instruction

The district does not have an adequate internal control system to ensure that only eligible students are included on the Monthly Report of School District Special Education Enrollment (P-223H report) submitted to the Superintendent of Public Instruction (SPI). During our audit of the district's special education enrollment reporting system we found the district included ineligible students on the P-223H report.

Our testing found that the district reported 12 ineligible students out of 190 students records tested. These ineligible students were included on the P-223H report which is used to allocate state apportionment money. This system of reporting special education students has not changed since 1984. In addition, the district has not retained adequate documentation to allow verification of all P-223H reports submitted from fiscal year 1990-91 through fiscal year 1994-95, as required by Secretary of State's records retention policy, see compliance Finding 1.

We selected 70 of the students on the district special education enrollment report for December 1994 and traced them back to the student files. Of the 70 files tested, we found 4 full-time-equivalent (FTE) ineligible students overreported to SPI during the 1994-95 school year. Additionally, a review of the current year special education enrollment by SPI found 8 (FTE) out of 120 students tested from the enrollment report were incorrectly reported.

Based on the testing noted, a total of 12 ineligible students out of 190 students records tested represents a 6 percent error rate. We have projected the amount of overpayment the district has received from SPI by multiplying this percentage (6 percent) times the total amount of federal money received during fiscal year 1994-95. As a result, we question \$25,400 of federal special education money (CFDA 84.027).

We did not question federal costs related to money received in the preceding fiscal years. This is a result of SPI's resolution of questioned costs at other school districts with this finding. However, the same condition existed in the preceding fiscal years at this district. Due to the apportionment formulas used by SPI, we were unable to project, accurately, the overpayment of state special education funding the district received.

The *Washington Administrative Code* 392-171 defines the criteria which must be met in order for a student to be included on the Form P-223H report.

Additionally the SPI Administrative and School Business Services Bulletin No. 36-94 Section V Part L., Documentation of Enrollment for Audit, states in part:

Enrollment reporting errors found in an audit generally require revised reports and adjustments to state apportionment . . .

By reporting ineligible students on the P-223H report the district has received excess state and federal funding for which it was not entitled. This has decreased the amount of funding available to districts which reported only eligible students.

The district's management did not properly review their special education enrollment reports to determine eligibility for SPI reports.

We recommend the district contact the federal Department of Education and SPI to determine the amount of repayment required. We further recommend that only eligible special education students be reported to SPI.